(b) if so, the details thereof;

(c) whether it is also a fact that the benefits of money spent by Government, with a view to help farmers, actually reach the big industrial houses instead of the farmers; and

(d) if so,the details of steps being taken in the interests of farmers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (d) In order to make available fertilizers at affordable prices, the Government provides subsidy on urea and concession on decontrolled phosphatic and potassic fertilizers. Government fixes the Maximum Retail Price (MRP) in case of urea, the only controlled fertilizer and indicates MRPs in case of decontrolled P & K fertilizers. the MRPs of Single Super Phasphates are indicated by respective State Governments. The fertilizers are sold at uniform MRP and indicative MRPs, as the case may be, to the farmers throughout the country, which are far less than the cost of production of fertilizers. Thus, the benefit is passed on to the farmers in the form of uniform and subsidized MRPs.

New rules for subsidy on urea

†324. SHRI HARENDRA SINGH MALIK: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are contemplating to frame new rules for providing subsidy on urea;

(b) if so, the details thereof and the reasons therefor; and

(c) by when a decision is likely to be taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (c) Government is at present in the process of formulating a new pricing policy for urea units keeping in view the recommendations of Expenditure Reforms Commission for replacing the existing RPS. Proposal is at present under consideration of Group of Ministers. The proposed policy would be in the shape of Group

†Original notice of the question was received in Hindi.

Concession Scheme and will aim at uniformity and greater transparency in disbursement of subsidy payments and will further induce urea manufacturers to take cost reduction measures on their own and be competitive.

Sale of FACT Ltd.

325. SHRI J. CHITHARANJAN:
SHRI V.V. RAGHAVAN:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have decided to disinvest or to make strategic sale of the FACT Ltd.;

(b) what is the subscribed share capital of FACT;

(c) what is the asset value of the company;

(d) what is the price at which Government would sell the company; and

(e) what are the compelling reasons for effecting disinvestment or strategic sale of FACT?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) and (c) The paid up share capital and the gross block of Fertilizers and Chemicals Travancore Ltd. (FACT) as on 31.3.2001 are Rs. 354.77 crore and Rs. 1430.68 crore, respectively.

(d) and (e) The disinvestment Commission has categorized fertilizer Public Sector Undertakings (PSUs) including FACT as 'non-core' and it has been decided to disinvest 51 per cent of GoI held equity in the company as per Government's policy which is to bring down its equity in non-strategic PSUs to 26 per cent or lower. As the sale of the shares should be through competitive bidding process, the sale price would emerge in due course of the disinvestment process.